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Macroeconomic policy questions: promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development

Egypt:* draft resolution

Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development

The General Assembly,

Guided by the purposes and principles enshrined in the Charter of the United Nations,

Reaffirming its resolution 70/1 of 25 September 2015, entitled "Transforming our world: the 2030 Agenda for Sustainable Development", in which it adopted a comprehensive, far-reaching and people-centred set of universal and transformative Sustainable Development Goals and targets, its commitment to working tirelessly for the full implementation of the Agenda by 2030, its recognition that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development, its commitment to achieving sustainable development in its three dimensions — economic, social and environmental — in a balanced and integrated manner, and to building upon the achievements of the Millennium Development Goals and seeking to address their unfinished business,

Reaffirming also its resolution 69/313 of 27 July 2015 on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which is an integral part of the 2030 Agenda for Sustainable Development, supports and complements it, helps to contextualize its means of implementation targets with concrete policies and actions, and reaffirms the strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity,

* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

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Reaffirming further the United Nations Convention against Corruption,[1] which is the most comprehensive and universal instrument on corruption, and recognizing the need to continue to promote its ratification or accession thereto and its full and effective implementation, including full support for the Mechanism for the Review of Implementation of the Convention,

Reaffirming the United Nations Convention against Transnational Organized Crime,[2]

Recalling General Assembly resolutions 56/186 of 21 December 2001 and 57/244 of 20 December 2002 on preventing and combating corrupt practices and transfer of funds of illicit origin and returning such funds to the countries of origin,

Recalling also its resolution 71/213 of 21 December 2016,

Recalling further its resolutions 60/207 of 22 December 2005, 69/199 of 18 December 2014 and 71/208 of 19 December 2016,

Reiterating its deep concern about the impact of illicit financial flows, in particular those caused by tax evasion, corruption and transnational organized crime, on the economic, social and political stability and development of societies, and especially on developing countries,

Recognizing the challenge posed by the increasing scope and complexity of illicit financial flows and the need for the recovery and return of stolen assets, which necessitates the strengthening of international cooperation on this matter,

Reaffirming the importance of chapter V of the United Nations Convention against Corruption, and underlining that the recovery and return of stolen assets pursuant to that chapter is a fundamental principle of the Convention,

Recognizing the work carried out by the Conference of the States Parties to the United Nations Convention against Corruption, and in particular its Open-ended Intergovernmental Working Group on Asset Recovery, to advance the full implementation of chapter V of the Convention,

Recognizing also that combating illicit financial flows involves an essential development challenge, emphasizing that illicit financial flows subtract from resources available for financing for development, and further recognizing the importance of ensuring assets return and repatriating illicit funds and assets to developing countries where they were illicitly sourced,

Acknowledging that global knowledge on the importance of combating illicit financial flows and enhancing assets return is rapidly increasing, with enhanced political will to recover illicitly acquired assets by the Governments of the countries of origin, and noting that numerous technical challenges and legal and practical issues remain unsolved,

Emphasizing that any acceptable definition of illicit financial flows should be all-encompassing and, in this regard recognizing that illicit financial flows should include flows from commercial, criminal and corruption activities and tax-related offences,

Welcoming the establishment of the Platform for Collaboration on Tax to intensify collaboration and coordination on tax issues between the United Nations, the International Monetary Fund, the World Bank Group and the Organization for Economic Cooperation and Development, including on formalizing regular discussions between the four international organizations on the design and

[1] United Nations, *Treaty Series*, vol. 2349, No. 42146.
[2] Ibid., vol. 2225, No. 39574.

implementation of standards for international tax matters and on the strengthening of their ability to provide capacity-building support to developing countries,

Noting with appreciation the ongoing efforts by regional organizations and other relevant international forums to strengthen cooperation in preventing and combating illicit financial flows,

Noting that developing countries are the most susceptible to the negative impact of illicit financial flows,

Taking note of the report of the High-level Panel on Illicit Financial Flows from Africa, and reiterating its invitation to other regions to carry out similar exercises, while commending its role in increasing knowledge on illicit financial flows,

Taking note also of the 2018 report of the Inter-Agency Task Force on Financing for Development,[3]

Noting with appreciation the decision of the Heads of State and Government of the African Union to declare 2018 as the African Anti-Corruption Year and the appointment of an Anti-Corruption Champion,

Keeping in mind that there are different components of illicit financial flows and that the separate analysis of channels or components is more beneficial in designing policy responses to prevent illicit flows,

Appreciating the fact that the Summit of the Group of 20, held in Hangzhou, China, on 4 and 5 September 2016, the first Summit of the Group of 20 to take place in a developing country following the adoption of the 2030 Agenda for Sustainable Development, with the broad participation of developing countries and including the Chair of the Group of 77, endorsed the Group of 20 Action Plan on the 2030 Agenda for Sustainable Development as an important contribution to the global implementation of the 2030 Agenda, and recalling the Summit of the Group of 20 held in Hamburg, Germany, on 7 and 8 July 2017, and the thirteenth Summit of the Group of 20 to be held in Buenos Aires on 30 November and 1 December 2018, while urging the Group of 20 to continue to engage in an inclusive and transparent manner with other States Members of the United Nations in its work in order to ensure that the initiatives of the Group of 20 complement and strengthen the United Nations system,

Noting the effort to promote the exchange of information and synergy between the open-ended intergovernmental expert meetings to enhance international cooperation under the United Nations Convention against Corruption and the Working Group on International Cooperation established by the Conference of the Parties to the United Nations Convention against Transnational Organized Crime,

Appreciating the need to address the issue of mutual legal assistance in the context of safe havens for illicit finances and the need for the international community, within the context of financing for development, to pay greater attention to the issue,

Noting recent international developments on the implementation of the Standard for Automatic Exchange of Financial Account Information in Tax Matters under common reporting standards developed by the Organization for Economic Cooperation and Development and now involving more than 100 countries,

Commending the report of the High-level Panel on Illicit Financial Flows from Africa for its ground-breaking role in increasing knowledge on the scourge of illicit

[3] *Financing for Development: Progress and Prospects* (United Nations publication, Sales No. E.18.I.5).

financial flows, and reiterating its invitation to other regions to carry out similar exercises,

1. *Commends* the inclusion in the 2030 Agenda for Sustainable Development[4] of, inter alia, the target related to combating illicit financial flows, recalls that the Sustainable Development Goals and associated targets are integrated and indivisible and balance the three dimensions of sustainable development, and in this regard looks forward to their achievement;

2. *Also commends* the inclusion in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development[5] of actions intended to combat illicit financial flows, and in this regard looks forward to their implementation;

3. *Welcomes* the ongoing efforts of Member States to enhance knowledge and broaden understanding of the challenges and opportunities involved with international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development, including the initiative of Nigeria and Norway to this effect, as well as the initiative of Ethiopia and Switzerland on good practices on assets return, and calls upon Member States to continue such efforts, including through relevant organizations of the United Nations system and other relevant regional or international forums;

4. *Expresses its concern* that cryptocurrencies are increasingly being used for illicit activities, and in this regard encourages Member States and other relevant organizations to consider taking measures to prevent and counter their illicit use;

5. *Urges* Member States that have not yet done so to consider ratifying or acceding to the United Nations Convention against Corruption[1] and the United Nations Convention against Transnational Organized Crime and the Protocols thereto,[6] and also urges States parties to those Conventions and Protocols to make efforts towards their effective implementation;

6. *Calls upon* the relevant organizations of the United Nations system, within their respective mandates and resources, to ensure that no one is left behind and no country is left behind in the implementation of the present resolution;

7. *Encourages* further efforts by relevant national actors to mitigate transfer mispricing and trade mis-invoicing by multinational corporations, with a view to strengthening the tax base in host countries, bearing in mind the need for developing countries to strengthen their domestic resource mobilization in order to achieve the Sustainable Development Goals;

8. *Encourages* countries and relevant multilateral and international organizations to continue their efforts to provide, upon request, technical assistance and capacity-building assistance to developing countries in order to improve their capacity to prevent, detect and combat illicit financial flows and strengthen good practices on assets return to foster sustainable development;

9. *Encourages* greater international cooperation to support African and other regional initiatives to combat illicit financial flows;

10. *Calls upon* all countries to cooperate, to the extent permissible under domestic law, in the areas of mutual legal assistance and extradition, which constitute

[4] Resolution 70/1.

[5] Resolution 69/313, annex.

[6] United Nations, *Treaty Series*, vols. 2225, 2237, 2241 and 2326, No. 39574.

major challenges in combating illicit financial flows and strengthening best practices in asset recovery;

11. *Recognizes* the importance of enhanced data collation and statistical information, with transfer pricing units and strengthened managerial capacity to combat illicit financial flows;

12. *Encourages* banks, other financial institutions and the private sector to cooperate with Governments to combat illicit financial flows;

13. *Invites* the President of the General Assembly to convene, during the seventy-fourth session of the Assembly, within existing resources and in coordination with all relevant stakeholders, a high-level meeting on international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development;

14. *Notes* the ongoing efforts of the United Nations Office on Drugs and Crime, in coordination with the United Nations Conference on Trade and Development and other institutions, to develop a methodology to produce estimates of the total value of inward and outward illicit financial flows;

15. *Also notes* that international cooperation in combating illicit financial flows is a work in progress that must continue to be pursued, and encourages all countries to create laws and policies environment for the effective recovery of illicitly acquired assets;

16. *Decides* to intensify international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development in the follow-up and review framework of the 2030 Agenda for Sustainable Development and in the follow-up process of the Addis Ababa Action Agenda;

17. *Notes with concern* that only a small portion of stolen assets is returned to countries of origin, and encourages greater international cooperation and sustained dialogue to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development and pledges to deter, detect, prevent and counter corruption, increase transparency and promote good governance for all citizens, which will contribute to the fostering of sustainable development;

18. *Urges* developed countries to provide technical support to developing countries, upon request, to enable effective prevention of illicit financial flows, through, inter alia, monitoring of the operations of multinational corporations;

19. *Recognizes* that measures aimed at combating illicit financial flows often require assistance to law enforcement agencies, and encourages Member States, where applicable and subject to their domestic legal system, to provide assistance in civil and administrative measures relating to corruption and the return of proceeds of illicit financial flows;

20. *Reaffirms* the right of countries of origin to determine their development priorities and the utilization of returned assets, and encourages the Governments of the countries where such assets were traced not to impose barriers of any kind on the destination and use of such assets, in accordance with existing international obligations, recognizing that asset return is a priority;

21. *Also reaffirms* that success in combating illicit financial flows requires the promotion of complementary practices which involve judicial, political, institutional and international cooperation efforts in an integrated manner;

22. *Calls upon* Member States, if they have not done so, as a matter of urgency and in accordance with domestic laws, to establish or strengthen institutions and agencies of government charged with the responsibility of preventing illicit financial

flows and enhancing asset recovery, such as financial intelligence units, anti-fraud agencies and anti-corruption and financial crime agencies;

23. *Stresses* that anti-corruption measures should be an integral part of national development policies and strategies, and in this regard encourages States to consider policies, consistent with the United Nations Convention against Corruption, and facilitate the repatriation of illicit finances in their territories to countries of origin;

24. *Looks forward* to the inclusion, in the 2019 report of the Inter-Agency Task Force on Financing for Development, of an analysis of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development, pursuant to the mandate of the Task Force, and also looks forward to the deliberations of the Economic and Social Council forum on financing for development follow-up;

25. *Requests* the Secretary-General to submit to the General Assembly at its seventy-fourth session, a report on the implementation of the present resolution and to consider including in the report an analysis of options for an enhanced approach to promoting international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development in developing countries, to be prepared with input from the major stakeholders;

26. *Decides* to include in the provisional agenda of its seventy-fourth session, under the item entitled "Macroeconomic policy questions", a sub-item entitled "Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development".